

Message Text

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ACTION COME-00

INFO OCT-01 EUR-12 IO-13 ISO-00 EB-08 TRSE-00 LAB-04

AGRE-00 DODE-00 STR-04 /042 W

-----013746 231047Z /17

R 230730Z AUG 77

FM AMEMBASSY BERN

TO SECSTATE WASHDC 4812

INFO AMEMBASSY COPENHAGEN

USMISSION GENEVA

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

AMEMBASSY OSLO

LIMITED OFFICIAL USE BERN 3797

USMTN

EO 11652: N/A

TAGS: ETRD, EFTA, SZ

SUBJ: PUBLIC SUPPLY PROCUREMENT IN EFTA

REF: STATE A-3063

1. EMBOFF DISCUSSED SUBJECT OF REFAIR WITH MR VON WALTHERSKIRCHE, DIVISION OF COMMERCE, FEDERAL DEPT OF PUBLIC ECONOMY. HIS RESPONSES TO QUESTIONS A THROUGH K ON PAGES 2 AND 3 OF REFAIR WERE AS FOLLOWS:

A) YES, SWISS FEEL EFTA GUIDELINES HAVE BROUGHT ABOUT MORE FAIR AND OPEN PROCUREMENT SYSTEMS IN EFTA AREA.

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B) SWISS FEDERAL COUNCIL DEC 27, 1966 ISSUED SPECIAL GUIDELINES ON PROCUREMENT IN NOTICE TO ALL FEDERAL ADMINISTRATIONS, INCLUDING PTT AND FEDERAL RAILROAD, THAT STRESSED IMPORTANCE OF ARTICLE 14 OF STOCKHOLM CONVENTION AND INSTRUCTED THAT ARTICLE 14 MUST BE TAKEN INTO CONSIDERATION IN PROCUREMENTS. ALTHOUGH SWISS CANTONS ARE NOT BOUND BY ARTICLE 14,

CIRCULAR LETTER SENT TO ALL CANTONS ASKED CANTONS TO CONSIDER OBLIGATIONS UNDER ARTICLE 14. SOME CANTONS HAVE REACTED POSITIVELY TO ARTICLE 14.

C) SWISS ARE UNABLE TO SAY THAT THERE HAS BEEN ANY APPRECIABLE INCREASE IN PUBLIC PROCUREMENT OF SUPPLIES FROM OTHER EFTA COUNTRIES DUE TO EFTA GUIDELINES. DATA IS UNAVAILABLE. IN ANY EVENT, EFTA IS NOT MOST IMPORTANT TRADING PARTNER FOR SWITZERLAND; SWISS IMPORTS FROM EFTA AREA WERE ONLY 7.9 PERCENT OF TOTAL IMPORTS IN 1976.

D AND E: SWISS SUPPLIERS HAVE BETTER ACCESS TO INFO ABOUT PUBLIC PROCUREMENT IN EFTA COUNTRIES. COMBINED LISTS OF MAJOR PUBLIC PROCUREMENT AGENCIES IN EFTA COUNTRIES WITH NOTICE OF MAJOR ITEMS BEING PROCURED ARE CIRCULATED PERIODICALLY (ABOUT EVERY THREE YEARS).

G) VAN WALTHERSKIRCHE STATED HE DID NOT HAVE INFO TO REPLY TO THESE QUESTIONS. HOWEVER, HE SAID DISCLOSURE CONTINUES TO BE DELICATE ISSUE.

G) VON WALTHERSKIRCHE SAID EVERY EUROPEAN COUNTRY MAKES EXCEPTION TO NON-DISCRIMINATION PRINCIPLE AND BUYS EXCLUSIVELY FROM DOMESTIC LIMITED OFFICIAL USE

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SUPPLIER IN SOME CASES. HE GAVE EXAMPLE OF ELECTRIC CABLES AS PRIMARY CASE OF THIS PRACTICE. HE SAID DOMESTIC CABLE PRICES IN EUROPE ARE USUALLY CONTROLLED ON REGIONAL BASIS, THOUGH CABLES ARE PRODUCED BY PRIVATE FIRMS, SO THAT DOMESTIC PRICE EQUALS PRICE OF OTHER REGIONAL PRODUCERS, THEREBY JUSTIFYING DOMESTIC PROCUREMENT, EG.G., BY STATE-OWNED TELEPHONE COMPANY, EXCLUSIVELY FROM DOMESTIC SOURCES.

H AND I: PROBLEMS ARE RAISED IN DIPLOMATIC CHANNELS TO REGISTER PROTEST OR ARE BROUGHT UP WITHIN EFTA. COMPROMISE IS USUALLY REACHED. GOVTS PROTEST, NOT CONTRACTORS, BECAUSE OBLIGATION TO ENFORCE FAIRNESS IS BETWEEN GOVTS. LISBON AGREEMENT CONTROLS DISPUTES, THOUGH NO DEFINITE PROCEDURE EXISTS. INFORMAL DISCUSSIONS CAN BE HELD BETWEEN DEPUTIES, BILATERAL MEETING OF EXPERTS COULD BE HELD, OR INFORMAL MULTILATERAL MEETING COULD BE CALLED. ARTICLE 30 PROVIDES FOR DISPUTE TO BE RESOLVED IN MINISTERIAL COUNCIL MEETING. HOWEVER, VON WALTHERSKIRCHE SAID HE KNEW OF NO CASE HANDLED BY MINISTERIAL COUNCIL, AT LEAST NOT IN LAST FEW YEARS. THERE ARE

NO PERIODICAL REPORTS OR PAPERS FOR SURVEILLANCE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Disposition Approved on Date:
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Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: BERN USMTN
Handling Restrictions: n/a
Image Path:
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Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE A-3063
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1521789
Secure: OPEN
Status: NATIVE
Subject: PUBLIC SUPPLY PROCUREMENT IN EFTA
TAGS: ETRD, SZ, EFTA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/13086956-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009